

Executive Summary – Enforcement Matter – Case No. 47229

CABOT CORPORATION

RN100221761

Docket No. 2013-1329-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Cabot Pampa Plant, 11561 U.S. Highway 60, Pampa, Gray County

Type of Operation:

Carbon black production plant

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: March 14, 2014

Comments Received: No

Penalty Information

Total Penalty Assessed: \$76,200

Amount Deferred for Expedited Settlement: \$15,240

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$30,480

Total Due to General Revenue: \$0

Payment Plan: N/A

SEP Conditional Offset: \$30,480

Name of SEP: Borger Independent School District

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN - Satisfactory

Major Source: Yes

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: September 2002 and September 2011

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: November 5 through 30, 2012

Date(s) of NOE(s): March 14, 2013

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Violation Information

1. Failed to report all instances of deviations. Specifically, the semi-annual deviation report for the reporting period from June 11, 2011 through December 10, 2011 did not include deviations for emissions events that occurred on July 9, August 10, September 14, and October 16, 2011 involving the Unit 4 Aftercooler, Unit GP-2 and Unit GP-5 Thermal Oxidizer Stacks, Berquist Tank Vacuum Producer, and Unit 3 Smoke Header, respectively; and the semi-annual deviation report for the reporting period from December 11, 2011 through June 10, 2012 did not include deviations for an excess opacity event that occurred on February 27, 2012 involving the Unit GP-4 Main Unit Filters [30 TEX. ADMIN. CODE § 122.145(2)(A), Federal Operating Permit ("FOP") No. O1623, General Terms and Conditions ("GTC"), and TEX. HEALTH & SAFETY CODE § 382.085(b)].
2. Failed to comply with the maximum allowable annual emissions rates for the Unit 5 Fume Incinerator, Emissions Point Number ("EPN") 32, and the Unit 5 Dryer, EPN 33. Specifically, in 2010 at EPN 32, the Respondent exceeded the sulfur dioxide ("SO₂") emissions rate of 0.0 ton per year ("tpy") by 0.84 ton and the particulate matter ("PM") emissions rate of 0.0 tpy by 1.45 tons; in 2011 at EPN 32, the Respondent exceeded the SO₂ emissions rate of 0.0 tpy by 0.81 ton and the PM emissions rate of 0.0 tpy by 1.40 tons; and in 2011 at EPN 33, the Respondent exceeded the nitrogen oxides ("NO_x") emissions rate of 0.16 tpy by 0.006 ton [30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Permit No. 2254, General Conditions ("GC") No. 8, and FOP No. O1623, GTC and Special Terms and Conditions ("STC") No. 7].
3. Failed to comply with the maximum allowable annual emissions rates for EPNs 15, 35, 44, 59, 62, 63, 65, and 67. Specifically, in 2010 at EPNs 15, 35, 44, 59, 62, 63, and 67, the Respondent emitted 1.63 tons of SO₂, 1.19 tons of ammonia ("NH₃"), 6.65 tons of hydrogen cyanide ("HCN"), 2.37 tons of NO_x, and 0.32 ton of carbon monoxide ("CO"), resulting in the unauthorized release of 1.61 tons of SO₂, 0.79 ton of NH₃, 3.25 tons of HCN, 0.39 ton of NO_x, and 0.24 ton of CO; and in 2011 at EPNs 15, 35, 62, 63, 65, and 67, the Respondent emitted 1.81 tons of SO₂, 1.61 tons of NH₃, 8.94 tons of HCN, 0.83 ton of NO_x, and 0.23 ton of CO as detailed in the table below, resulting in the unauthorized release of 1.79 tons of SO₂, 1.21 tons of NH₃, 5.54 tons of HCN, 0.23 ton of NO_x, and 0.15 ton of CO [30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(b)(2)(F), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Permit Nos. 40088 and PSDTX934, GC No. 8, and FOP No. O1623, GTC and STC No. 7].
4. Failed to maintain records necessary to demonstrate compliance with the maximum allowable emission rates established by Permit Nos. 40088 and PSDTX934 and Permit No. 2554 and make such records available at the request of the TCEQ [30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(b)(2)(E), and 122.143(4), TEX. HEALTH & SAFETY CODE

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§ 382.085(b), Permit Nos. 40088 and PSDTX934, GC No. 7, Permit No. 2554, GC No. 7, and FOP No. O1623, GTC and STC No. 7].

5. Failed to submit a periodic report for 40 CODE OF FEDERAL REGULATIONS (“CFR”) Part 63, Subpart YY within 60 days after the end of the reporting period. Specifically, the periodic report for the reporting period from January 14, 2012 through July 13, 2012 was due by September 11, 2012 but was not submitted until January 7, 2013 [30 TEX. ADMIN. CODE §§ 101.20(2), 113.560, and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), 40 CFR § 63.1110(e)(2), and FOP No. O1623, GTC and STC No. 1.D.].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondent has implemented the following corrective measures:

- a. By January 7, 2013, implemented measures to ensure periodic reports for 40 CFR Part 63, Subpart YY are submitted in a timely manner, and submitted the periodic report for the reporting period from January 14, 2012 through July 13, 2012; and
- b. On April 8, 2013, implemented more stringent recordkeeping and organizational requirements to ensure all deviations are included in semi-annual deviation reports.

Technical Requirements:

- 1. The Order will require the Respondent to implement and complete a Supplemental Environmental Project (“SEP”). (See SEP Attachment A)
- 2. The Order will also require the Respondent to:
 - a. Within 30 days:
 - i. Implement measures and/or procedures to ensure records necessary to demonstrate compliance with the maximum allowable emission rates established by Permit Nos. 40088 and PSDTX934 and Permit No. 2554 are being maintained and are available at the request of the TCEQ; and
 - ii. Submit written certification demonstrating compliance with the maximum allowable emission rates in Permit Nos. 40088 and PSDTX934 and Permit No. 2554, or submit administratively complete permit amendment applications to increase the maximum allowable emission rates in Permit Nos. 40088 and PSDTX934 and Permit No. 2554.
 - b. If permit applications are submitted, respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the permit

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applications within 30 days after the date of such requests, or by any other deadline specified in writing;

c. Within 45 days, submit written certification to demonstrate compliance with Ordering Provision a.i.

d. If permit applications are submitted, then within 180 days after the effective date of this Agreed Order, submit written certification that the permit amendments have been obtained or that operations have ceased until such time that appropriate authorization is obtained.

Litigation Information

Date Petition(s) Filed: N/A

Date Answer(s) Filed: N/A

SOAH Referral Date: N/A

Hearing Date(s): N/A

Settlement Date: N/A

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Kimberly Morales, Enforcement Division, Enforcement Team 5, MC R-12, (713) 422-8938; Candy Garrett, Enforcement Division, MC 219, (512) 239-1456

TCEQ SEP Coordinator: Stuart Beckley, SEP Coordinator, Enforcement Division, MC 219, (512) 239-3565

Respondent: Brian Allison, Facility General Manager, CABOT CORPORATION, P.O. Box 5001, Pampa, Texas 79065

Jennifer Flores, Environmental Manager, CABOT CORPORATION, P.O. Box 5001, Pampa, Texas 79065

Respondent's Attorney: Whit Swift, Partner, Katten Muchin Rosenman LLP, 111 Congress Avenue, Suite 1000, Austin, Texas 78701

Attachment A
Docket Number: 2013-1329-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	CABOT CORPORATION
Penalty Amount:	Sixty Thousand Nine Hundred Sixty Dollars (\$60,960)
SEP Offset Amount:	Thirty Thousand Four Hundred Eighty Dollars (\$30,480)
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Administrator:	Borger Independent School District
Project Name:	<i>Borger ISD Clean School Bus Replacement Program</i>
Location of SEP:	Hutchinson County

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The SEP Offset Amount is set forth above and such offset is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

a. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **Borger Independent School District** for the *Borger ISD Clean School Bus Replacement Program*. The contribution will be used in accordance with the SEP between the Third-Party Administrator and the TCEQ (the "Project"). Specifically, the contribution will be used to reduce nitrogen oxides, volatile organic compounds, carbon monoxide, and particulate matter emissions by replacing older diesel and gasoline buses with newer buses that meet more stringent emission standards. The Third-Party Administrator shall use SEP Offset Amount for up to 100% of the purchase price of a model year 2010 or newer bus to replace a diesel or gasoline school bus that is model year 2002 or older. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used solely for the direct cost of the Project, including but not limited to supplies, materials, and equipment. Any portion of this contribution that

CABOT CORPORATION
Agreed Order - Attachment A

is not spent on the specifically identified SEP may, at the discretion of the Executive Director ("ED"), be applied to another pre-approved SEP.

The Respondent's signature affixed to this Agreed Order certifies that it has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action. The Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

This SEP will directly benefit air quality by reducing harmful exhaust emissions which contribute to the formation of ozone and may cause or exacerbate a number of respiratory diseases, including asthma. In addition, by encouraging less school bus idling, this SEP contributes to public awareness of environmental matters.

c. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **Borger Independent School District SEP** and mail the contribution with a copy of the Agreed Order to:

Borger Independent School District
200 East Ninth Street
Borger, Texas 79008-1177

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, the Respondent shall provide the Enforcement Division SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount due to the Third-Party Administrator. The Respondent shall mail a copy of the check and transmittal letter to:

Texas Commission on Environmental Quality
Enforcement Division
Attention: SEP Coordinator, MC 219
P.O. Box 13087
Austin, Texas 78711-3087

4. **Failure to Fully Perform**

If the Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, the Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP; shall make the check payable to "Texas Commission on Environmental Quality;" and shall mail it to:

Texas Commission on Environmental Quality
Litigation Division
Attention: SEP Coordinator, MC 175
P.O. Box 13087
Austin, Texas 78711-3087

5. **Publicity**

Any public statements concerning this SEP made by or on behalf of the Respondent, must include a clear statement that **the Project was performed as part of the settlement of an enforcement action brought by the TCEQ**. Such statements include advertising, public relations, and press releases.

6. **Clean Texas Program**

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. **Other SEPs by TCEQ or Other Agencies**

The SEP Offset Amount identified in this Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

TCEQ

DATES Assigned **PCW** 18-Mar-2013
3-Jan-2014 Screening 15-Jul-2013 EPA Due 9-Dec-2013

RESPONDENT/FACILITY INFORMATION

Respondent CABOT CORPORATION
Reg. Ent. Ref. No. RN100221761
Facility/Site Region 1-Amarillo Major/Minor Source Major

CASE INFORMATION

Enf./Case ID No. 47229 No. of Violations 2
Docket No. 2013-1329-AIR-E Order Type 1660
Media Program(s) Air Government/Non-Profit No
Multi-Media Enf. Coordinator Kimberly Morales
EC's Team Enforcement Team 5
Admin. Penalty \$ Limit Minimum \$0 Maximum \$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) Subtotal 1 \$20,000

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History 25.0% Enhancement Subtotals 2, 3, & 7 \$5,000

Notes Enhancement for one NOV with same/similar violations and one order with denial of liability.

Culpability No 0.0% Enhancement Subtotal 4 \$0

Notes The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments Subtotal 5 \$0

Economic Benefit 0.0% Enhancement* Subtotal 6 \$0

Total EB Amounts \$10,964
Approx. Cost of Compliance \$60,000
*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 Final Subtotal \$25,000

OTHER FACTORS AS JUSTICE MAY REQUIRE 0.0% Adjustment \$0

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount \$25,000

STATUTORY LIMIT ADJUSTMENT Final Assessed Penalty \$25,000

DEFERRAL 20.0% Reduction Adjustment -\$5,000

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes Deferral offered for expedited settlement.

PAYABLE PENALTY \$20,000

Screening Date 15-Jul-2013

Docket No. 2013-1329-AIR-E

PCW

Respondent CABOT CORPORATION

Policy Revision 2 (September 2002)

Case ID No. 47229

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100221761

Media [Statute] Air

Enf. Coordinator Kimberly Morales

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	1	5%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	1	20%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgements or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	0	0%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 25%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance
History
Notes

Enhancement for one NOV with same/similar violations and one order with denial of liability.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 25%

Screening Date 15-Jul-2013

Docket No. 2013-1329-AIR-E

PCW

Respondent CABOT CORPORATION

Policy Revision 2 (September 2002)

Case ID No. 47229

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100221761

Media [Statute] Air

Enf. Coordinator Kimberly Morales

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 116.115(b)(2)(F) and 122.143(4), Tex. Health & Safety Code § 382.085(b), Permit No. 2554, General Conditions ("GC") No. 8, and Federal Operating Permit ("FOP") No. O1623, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 7

Violation Description Failed to comply with the maximum allowable annual emissions rates for the Unit 5 Fume Incinerator, Emissions Point Number ("EPN") 32. Specifically, in 2010, the Respondent exceeded the sulfur dioxide ("SO₂") emissions rate of 0.0 ton per year ("tpy") by 0.84 ton and the particulate matter emissions rate of 0.0 tpy by 1.45 tons.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 25%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 4

365 Number of violation days

mark only one
with an x

daily	
weekly	
monthly	
quarterly	X
semiannual	
annual	
single event	

Violation Base Penalty \$10,000

Four quarterly events are recommended for the exceedances in calendar year 2010.

Good Faith Efforts to Comply

0.0% Reduction

\$0

Before NOV NOV to EDPRP/Settlement Offer

Extraordinary		
Ordinary		
N/A	X	(mark with x)

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$10,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$1,827

Violation Final Penalty Total \$12,500

This violation Final Assessed Penalty (adjusted for limits) \$12,500

Economic Benefit Worksheet

Respondent CABOT CORPORATION

Case ID No. 47229

Reg. Ent. Reference No. RN100221761

Media Air

Violation No. 1

Percent Interest 5.0
Years of Depreciation 15

Item Cost Date Required Final Date Yrs Interest Saved Onetime Costs EB Amount
Item Description No commas or \$

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$10,000	31-Dec-2010	26-Aug-2014	3.65	\$1,827	n/a	\$1,827

Notes for DELAYED costs

Estimated cost to implement measures and/or procedures to ensure compliance with the maximum allowable emissions rates at EPNs 32 and 33. The date required is the date of noncompliance. The final date is the date that corrective actions are expected to be completed.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$10,000

TOTAL

\$1,827

Screening Date 15-Jul-2013
Respondent CABOT CORPORATION
Case ID No. 47229

Docket No. 2013-1329-AIR-E

PCW

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN100221761

Media [Statute] Air

Enf. Coordinator Kimberly Morales

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(3), 116.115(b)(2)(F), and 122.143(4), Tex. Health & Safety Code § 382.085(b), Permit Nos. 40088 and PSDTX934, GC No. 8, and FOP No. O1623, GTC and STC No. 7

Violation Description

Failed to comply with the maximum allowable annual emissions rates for EPNs 15, 35, 44, 59, 62, 63, and 67. Specifically, in 2010, the Respondent emitted 1.63 tons of SO₂, 1.19 tons of ammonia ("NH₃"), 6.65 tons of hydrogen cyanide ("HCN"), 2.37 tons of nitrogen oxide ("NO_x"), and 0.32 ton of carbon monoxide ("CO"), resulting in the unauthorized release of 1.61 tons of SO₂, 0.79 ton of NH₃, 3.25 tons of HCN, 0.39 ton of NO_x, and 0.24 ton of CO, as detailed in the attached table.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 25%

>> Programmatic Matrix

Falsification			
	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 4

365 Number of violation days

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	X
	semiannual	
	annual	
	single event	

Violation Base Penalty \$10,000

Four quarterly events are recommended for the exceedances in calendar year 2010.

Good Faith Efforts to Comply

0.0% Reduction

\$0

Before NOV NOV to EDPRP/Settlement Offer

Extraordinary		
Ordinary		
N/A	X	(mark with x)

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$10,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$9,137

Violation Final Penalty Total \$12,500

This violation Final Assessed Penalty (adjusted for limits) \$12,500

Economic Benefit Worksheet

Respondent CABOT CORPORATION

Case ID No. 47229

Reg. Ent. Reference No. RN100221761

Media Air

Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$50,000	31-Dec-2010	26-Aug-2014	3.65	\$9,137	n/a	\$9,137

Notes for DELAYED costs

Estimated cost to implement measures and/or procedures to ensure compliance with the maximum allowable emissions rates at EPNs 15, 35, 44, 59, 62, 63, and 67. The date required is the date of noncompliance. The final date is the date that corrective actions are expected to be completed.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$50,000

TOTAL

\$9,137



Penalty Calculation Worksheet (PCW)

Policy Revision 3 (September 2011)

PCW Revision August 3, 2011

TCEQ

DATES Assigned **18-Mar-2013**
PCW **3-Jan-2014** Screening **15-Jul-2013** EPA Due **9-Dec-2013**

RESPONDENT/FACILITY INFORMATION

Respondent **CABOT CORPORATION**
Reg. Ent. Ref. No. **RN100221761**
Facility/Site Region **1-Amarillo** Major/Minor Source **Major**

CASE INFORMATION

Enf./Case ID No. **47229** No. of Violations **5**
Docket No. **2013-1329-AIR-E** Order Type **1660**
Media Program(s) **Air** Government/Non-Profit **No**
Multi-Media Enf. Coordinator **Kimberly Morales**
EC's Team **Enforcement Team 5**

Admin. Penalty \$ Limit Minimum **\$0** Maximum **\$25,000**

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) Subtotal 1 **\$41,750**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History **25.0%** Enhancement Subtotals 2, 3, & 7 **\$10,437**

Notes Enhancement for one NOV with same/similar violations and one order with denial of liability.

Culpability **No** **0.0%** Enhancement Subtotal 4 **\$0**

Notes The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments Subtotal 5 **\$987**

Economic Benefit **0.0%** Enhancement* Subtotal 6 **\$0**

Total EB Amounts **\$89**
Approx. Cost of Compliance **\$1,500**
*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 Final Subtotal **\$51,200**

OTHER FACTORS AS JUSTICE MAY REQUIRE **0.0%** Adjustment **\$0**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount **\$51,200**

STATUTORY LIMIT ADJUSTMENT Final Assessed Penalty **\$51,200**

DEFERRAL **20.0%** Reduction Adjustment **-\$10,240**

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes Deferral offered for expedited settlement.

PAYABLE PENALTY **\$40,960**

Screening Date 15-Jul-2013

Docket No. 2013-1329-AIR-E

PCW

Respondent CABOT CORPORATION

Policy Revision 3 (September 2011)

Case ID No. 47229

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100221761

Media [Statute] Air

Enf. Coordinator Kimberly Morales

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	1	5%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	1	20%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgements or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	0	0%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 25%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance
History
Notes

Enhancement for one NOV with same/similar violations and one order with denial of liability.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 25%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 25%

Screening Date 15-Jul-2013

Docket No. 2013-1329-AIR-E

PCW

Respondent CABOT CORPORATION

Policy Revision 3 (September 2011)

Case ID No. 47229

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100221761

Media [Statute] Air

Enf. Coordinator Kimberly Morales

Violation Number 1

Rule Cite(s)

30 Tex. Admin. Code § 122.145(2)(A), Federal Operating Permit ("FOP") No. 01623, General Terms and Conditions ("GTC"), and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to report all instances of deviations. Specifically, the semi-annual deviation report for the reporting period from June 11, 2011 through December 10, 2011 did not include deviations for emissions events that occurred on July 9, August 10, September 14, and October 16, 2011 involving the Unit 4 Aftercooler, Unit GP-2 and Unit GP-5 Thermal Oxidizer Stacks, Berquist Tank Vacuum Producer, and Unit 3 Smoke Header, respectively; and the semi-annual deviation report for the reporting period from December 11, 2011 through June 10, 2012 did not include deviations for an excess opacity event that occurred on February 27, 2012 involving the Unit GP-4 Main Unit Filters.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
			X

Percent 1.0%

Matrix Notes

The Respondent failed to comply with less than 30% of the rule requirement.

Adjustment \$24,750

\$250

Violation Events

Number of Violation Events 2

365 Number of violation days

mark only one
with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	X

Violation Base Penalty \$500

Two single events are recommended for the two incomplete reports.

Good Faith Efforts to Comply

10.0% Reduction

\$50

Before NOV NOV to EDPRP/Settlement Offer

Extraordinary		
Ordinary		X
N/A		(mark with x)

Notes

The Respondent completed corrective actions on April 8, 2013, after the March 14, 2013 NOE.

Violation Subtotal \$450

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$16

Violation Final Penalty Total \$575

This violation Final Assessed Penalty (adjusted for limits) \$575

Economic Benefit Worksheet

Respondent CABOT CORPORATION
 Case ID No. 47229
 Reg. Ent. Reference No. RN100221761
 Media Air
 Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

No commas or \$

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$250	9-Jan-2012	8-Apr-2013	1.25	\$16	n/a	\$16

Notes for DELAYED costs

Estimated cost to implement measures and procedures to ensure all deviations are included in semi-annual deviation reports. The date required was the due date for the first semi-annual report. The final date is the date that corrective actions were completed.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$250

TOTAL

\$16

Screening Date 15-Jul-2013

Docket No. 2013-1329-AIR-E

PCW

Respondent CABOT CORPORATION

Policy Revision 3 (September 2011)

Case ID No. 47229

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100221761

Media [Statute] Air

Enf. Coordinator Kimberly Morales

Violation Number 2

Rule Cite(s)

30 Tex. Admin. Code §§ 116.115(b)(2)(F) and 122.143(4), Tex. Health & Safety Code § 382.085(b), Permit No. 2254, General Conditions ("GC") No. 8, and FOP No. 01623, GTC and Special Terms and Conditions ("STC") No. 7

Violation Description

Failed to comply with the maximum allowable annual emissions rates for the Unit 5 Fume Incinerator, Emissions Point Number ("EPN") 32, and the Unit 5 Dryer, EPN 33. Specifically, in 2011 at EPN 32, the Respondent exceeded the sulfur dioxide ("SO₂") emissions rate of 0.0 ton per year ("tpy") by 0.81 ton and the particulate matter emissions rate of 0.0 tpy by 1.40 tons, and in 2011 at EPN 33, the Respondent exceeded the nitrogen oxides ("NO_x") emissions rate of 0.16 tpy by 0.006 ton.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 15.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 4

365 Number of violation days

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	X
	semiannual	
	annual	
	single event	

Violation Base Penalty \$15,000

Four quarterly events are recommended for the exceedances in calendar year 2011.

Good Faith Efforts to Comply

0.0% Reduction

\$0

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	X	(mark with x)

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$15,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$18,750

This violation Final Assessed Penalty (adjusted for limits) \$18,750

Economic Benefit Worksheet

Respondent CABOT CORPORATION
Case ID No. 47229
Reg. Ent. Reference No. RN100221761
Media Air
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

No commas or \$

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

The economic benefit for this violation is included in Violation No. 1 of the accompanying PCW.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$0

TOTAL

\$0

Screening Date 15-Jul-2013
Respondent CABOT CORPORATION
Case ID No. 47229

Docket No. 2013-1329-AIR-E

PCW

Policy Revision 3 (September 2011)

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100221761

Media [Statute] Air

Enf. Coordinator Kimberly Morales

Violation Number 3

Rule Cite(s)

30 Tex. Admin. Code §§ 101.20(3), 116.115(b)(2)(F), and 122.143(4), Tex. Health & Safety Code § 382.085(b), Permit Nos. 40088 and PSDTX934, GC No. 8, and FOP No. O1623, GTC and STC No. 7

Violation Description

Failed to comply with the maximum allowable annual emissions rates for EPNs 15, 35, 62, 63, 65, and 67. Specifically, in 2011, the Respondent emitted 1.81 tons of SO₂, 1.61 tons of ammonia ("NH₃"), 8.94 tons of hydrogen cyanide ("HCN"), 0.83 ton of NO_x, and 0.23 ton of carbon monoxide ("CO"), resulting in the unauthorized release of 1.79 tons of SO₂, 1.21 tons of NH₃, 5.54 tons of HCN, 0.23 ton of NO_x, and 0.15 ton of CO, as detailed in the attached table.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			x
Potential			

Percent 15.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 4

365 Number of violation days

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	x
	semiannual	
	annual	
	single event	

Violation Base Penalty \$15,000

Four quarterly events are recommended for the exceedances in calendar year 2011.

Good Faith Efforts to Comply

0.0% Reduction

\$0

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	x	(mark with x)

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$15,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$18,750

This violation Final Assessed Penalty (adjusted for limits) \$18,750

Economic Benefit Worksheet

Respondent CABOT CORPORATION
Case ID No. 47229
Reg. Ent. Reference No. RN100221761
Media Air
Violation No. 3

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

The economic benefit for this violation is included in Violation No. 2 of the accompanying PCW.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$0

TOTAL

\$0

Screening Date 15-Jul-2013
Respondent CABOT CORPORATION
Case ID No. 47229

Docket No. 2013-1329-AIR-E

PCW

Policy Revision 3 (September 2011)

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100221761

Media [Statute] Air

Enf. Coordinator Kimberly Morales

Violation Number 4

Rule Cite(s) 30 Tex. Admin. Code §§ 101.20(3), 116.115(b)(2)(E), and 122.143(4), Tex. Health & Safety Code § 382.085(b), Permit Nos. 40088 and PSDTX934, GC No. 7, Permit No. 2554, GC No. 7, and FOP No. O1623, GTC and STC No. 7

Violation Description

Failed to maintain records necessary to demonstrate compliance with the maximum allowable emission rates established by Permit Nos. 40088 and PSDTX934 and Permit No. 2554 and make such records available at the request of the TCEQ.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
	x		

Percent 15.0%

Matrix Notes

The Respondent failed to meet 100% of the rule requirement.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 2

252 Number of violation days

mark only one
with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$7,500

Two single events are recommended for the two sets of records.

Good Faith Efforts to Comply

0.0% Reduction

\$0

Before NOV NOV to EDPRP/Settlement Offer

Extraordinary		
Ordinary		
N/A	x	(mark with x)

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$7,500

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$70

Violation Final Penalty Total \$9,375

This violation Final Assessed Penalty (adjusted for limits) \$9,375

Economic Benefit Worksheet

Respondent CABOT CORPORATION
 Case ID No. 47229
 Reg. Ent. Reference No. RN100221761
 Media Air
 Violation No. 4

Percent Interest 5.0
 Years of Depreciation 15

Item Cost Date Required Final Date Yrs Interest Saved Onetime Costs EB Amount
 Item Description No commas or \$

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System	\$1,000	5-Nov-2012	29-Mar-2014	1.39	\$70	n/a	\$70
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to implement measures and/or procedures to ensure records necessary to demonstrate compliance with maximum allowable emission rates are being maintained and available at the request of the TCEQ. The date required is the date of the investigation. The final date is the date that corrective actions are expected to be completed.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$1,000

TOTAL

\$70

Screening Date 15-Jul-2013

Docket No. 2013-1329-AIR-E

PCW

Respondent CABOT CORPORATION

Policy Revision 3 (September 2011)

Case ID No. 47229

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100221761

Media [Statute] Air

Enf. Coordinator Kimberly Morales

Violation Number 5

Rule Cite(s)

30 Tex. Admin. Code §§ 101.20(2), 113.560, and 122.143(4), Tex. Health & Safety Code § 382.085(b), 40 Code of Federal Regulations ("CFR") § 63.1110(e)(2), and FOP No. O1623, GTC and STC No. 1.D.

Violation Description

Failed to submit a periodic report for 40 CFR Part 63, Subpart YY within 60 days after the end of the reporting period. Specifically, the periodic report for the reporting period from January 14, 2012 through July 13, 2012 was due by September 11, 2012 but was not submitted until January 7, 2013.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
	x		

Percent 15.0%

Matrix Notes

The Respondent failed to comply with 100% of the rule requirement.

Adjustment \$21,250

\$3,750

Violation Events

Number of Violation Events 1

118

Number of violation days

mark only one
with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$3,750

One single event is recommended for the late report.

Good Faith Efforts to Comply

25.0%

Reduction

\$937

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary	x	
N/A		(mark with x)

Notes

The Respondent completed corrective actions on January 7, 2013, before the March 14, 2013 NOE.

Violation Subtotal \$2,813

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$4

Violation Final Penalty Total \$3,751

This violation Final Assessed Penalty (adjusted for limits) \$3,751

Economic Benefit Worksheet

Respondent CABOT CORPORATION
 Case ID No. 47229
 Reg. Ent. Reference No. RN100221761
 Media Air
 Violation No. 5

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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No commas or \$

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$250	11-Sep-2012	7-Jan-2013	0.32	\$4	n/a	\$4

Notes for DELAYED costs

Estimated cost to implement measures to ensure timely submittal of periodic reports and to submit the report for the January 14, 2012 through July 13, 2012 reporting period. The date required was the due date for the periodic report. The final date is the date that corrective actions were completed.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$250

TOTAL

\$4

PCW Attachment
CABOT CORPORATION
RN100221761
Case No. 47229
Docket No. 2013-1329-AIR-E

EPN	Pollutant	Allowable Emissions (tpy)	2010 Actual Emissions (tpy)	2010 Unauthorized Emissions (tpy)	2011 Actual Emissions (tpy)	2011 Unauthorized Emissions (tpy)
15	SO ₂	0.01	1.00	0.99	0.76	0.75
	NH ₃	0.20	0.60	0.40	0.80	0.60
	HCN	1.70	3.36	1.66	4.45	2.75
35	NO _x	0.40	0.43	0.03	0.43	0.03
44	NO _x	1.10	1.17	0.07	-	-
59	NO _x	0.40	0.43	0.03	-	-
62	NO _x	0.04	0.17	0.13	0.12	0.08
	CO	0.04	0.15	0.11	0.10	0.06
63	NO _x	0.04	0.21	0.17	0.16	0.12
	CO	0.04	0.18	0.14	0.13	0.09
65	NO _x	0.10	-	-	0.12	0.02
67	SO ₂	0.01	0.63	0.62	1.05	1.04
	NH ₃	0.20	0.59	0.39	0.81	0.61
	HCN	1.70	3.29	1.59	4.49	2.79



Compliance History Report

PUBLISHED Compliance History Report for CN600124911, RN100221761, Rating Year 2012 which includes Compliance History (CH) components from September 1, 2007, through August 31, 2012.

Customer, Respondent, or Owner/Operator:	CN600124911, CABOT CORPORATION	Classification:	SATISFACTORY	Rating:	5.52
Regulated Entity:	RN100221761, CABOT PAMPA PLANT	Classification:	SATISFACTORY	Rating:	4.60
Complexity Points:	16	Repeat Violator:	NO		
CH Group:	05 - Chemical Manufacturing				
Location:	11561 UNITED STATES HIGHWAY 60 PAMPA, GRAY COUNTY, TEXAS				
TCEQ Region:	REGION 01 - AMARILLO				

ID Number(s):

AIR OPERATING PERMITS ACCOUNT NUMBER GH0003Q
POLLUTION PREVENTION PLANNING ID NUMBER P00098

AIR OPERATING PERMITS PERMIT 1623
WASTEWATER PERMIT WQ0001442000

AIR NEW SOURCE PERMITS PERMIT 2554
AIR NEW SOURCE PERMITS REGISTRATION 41116
AIR NEW SOURCE PERMITS ACCOUNT NUMBER GH0003Q
AIR NEW SOURCE PERMITS AFS NUM 4817900001
AIR NEW SOURCE PERMITS EPA PERMIT PSDTX934M1
INDUSTRIAL AND HAZARDOUS WASTE EPA ID
TXD981612088
STORMWATER PERMIT TXR05AQ24
AIR EMISSIONS INVENTORY ACCOUNT NUMBER GH0003Q

AIR NEW SOURCE PERMITS PERMIT 40088
AIR NEW SOURCE PERMITS REGISTRATION 43483
AIR NEW SOURCE PERMITS PERMIT 49161
AIR NEW SOURCE PERMITS EPA PERMIT PSDTX934
AIR NEW SOURCE PERMITS REGISTRATION 111482
INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE
REGISTRATION # (SWR) 37604
ON SITE SEWAGE FACILITY PERMIT 0900144

Compliance History Period: September 01, 2007 to August 31, 2012 **Rating Year:** 2012 **Rating Date:** 09/01/2012

Date Compliance History Report Prepared: July 12, 2013

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: July 12, 2008 to July 12, 2013

TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.

Name: Kimberly Morales

Phone: (713) 422-8938

Site and Owner/Operator History:

- 1) Has the site been in existence and/or operation for the full five year compliance period? YES
- 2) Has there been a (known) change in ownership/operator of the site during the compliance period? NO
- 3) If **YES** for #2, who is the current owner/operator? N/A
- 4) If **YES** for #2, who was/were the prior owner(s)/operator(s)? N/A
- 5) If **YES**, when did the change(s) in owner or operator occur? N/A

Components (Multimedia) for the Site Are Listed in Sections A - J

A. Final Orders, court judgments, and consent decrees:

- 1 Effective Date: 05/24/2012 ADMINORDER 2011-1762-AIR-E (1660 Order-Agreed Order With Denial)
Classification: Moderate
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THSC Chapter 382 382.085(b)
Rqmt Prov: Special Condition No. 4.A. PERMIT

Description: failed to comply with permitted emission rates during a stack test conducted on May 18, 2011 on the Unit 5 Main Unit Filter (U-5 MUF) [Emission Point Number 95]. Specifically, it was determined that the emission rate for total particulate matter/particulate matter PM/PM10/PM2.5 was 4.39 lbs/hr, exceeding the maximum allowable hourly emission rate of 0.66 lbs/hr

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

D. The approval dates of investigations (CCEDS Inv. Track. No.):

Item 1	September 19, 2008	(703026)
Item 2	January 13, 2009	(710313)
Item 3	June 10, 2009	(747763)
Item 4	June 30, 2010	(828176)
Item 5	September 28, 2010	(865643)
Item 6	November 12, 2010	(873436)
Item 7	March 07, 2011	(892869)
Item 8	July 31, 2012	(1022300)

E. Written notices of violations (NOV) (CCEDS Inv. Track. No.):

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

1	Date:	03/14/2013	(1054297)	CN600124911
	Self Report?	NO		Classification: Moderate
	Citation:	30 TAC Chapter 116, SubChapter B 116.115(c) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) Permit No. 40088/PSDTX934 SC 9B PERMIT		
	Description:	Failure for EPNs 62 and 63 to comply with maximum hours limit		
	Self Report?	NO		Classification: Moderate
	Citation:	30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) Permit No. 40088/PSDTX934 PERMIT		
	Description:	failure to comply with footnote of maximum allowable emission rates table		
	Self Report?	NO		Classification: Moderate
	Citation:	30 TAC Chapter 116, SubChapter B 116.116(b)(1) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) Permit No. 40088/PSDTX934 PERMIT		
	Description:	failure to meet stack heights as represented in permit application		
	Self Report?	NO		Classification: Moderate
	Citation:	30 TAC Chapter 116, SubChapter B 116.115(c) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) Permit No. 40088/PSDTX934 SC 2D PERMIT		
	Description:	failure to perform monthly flare header testing for percent hydrogen		
	Self Report?	NO		Classification: Moderate
	Citation:	30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) FOP O-01623 STC 3A(iv)(1) OP		
	Description:	failure to perform 3rd quarter 2011 visible emissions observations for GP-2, GP-3, GP-4, and GP-5		
	Self Report?	NO		Classification: Moderate
	Citation:	30 TAC Chapter 122, SubChapter B 122.145(2)(A) 5C THSC Chapter 382 382.085(b) FOP O-01623 OP		
	Description:	failure to include all instances of deviations on deviation reports		

F. Environmental audits:

N/A

G. Type of environmental management systems (EMSs):

Published Compliance History Report for CN600124911, RN100221761, Rating Year 2012 which includes Compliance History (CH) components from July 12, 2008, through July 12, 2013.

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:

N/A

Sites Outside of Texas:

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
CABOT CORPORATION
RN100221761**

**§ BEFORE THE
§
§ TEXAS COMMISSION ON
§
§ ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2013-1329-AIR-E

I. JURISDICTION AND STIPULATIONS

On _____, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding CABOT CORPORATION ("Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent, represented by Whit Swift of the law firm of Katten Muchin Rosenman LLP, together stipulate that:

1. The Respondent owns and operates a carbon black production plant at 11561 United States Highway 60 in Pampa, Gray County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Executive Director and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about March 19, 2013.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Seventy-Six Thousand Two Hundred Dollars (\$76,200) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Thirty Thousand Four Hundred

Eighty Dollars (\$30,480) of the administrative penalty and Fifteen Thousand Two Hundred Forty Dollars (\$15,240) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty. Thirty Thousand Four Hundred Eighty Dollars (\$30,480) shall be conditionally offset by the Respondent's completion of a Supplemental Environmental Project ("SEP").

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
9. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:
 - a. By January 7, 2013, implemented measures to ensure periodic reports for 40 CODE OF FEDERAL REGULATIONS ("CFR") Part 63, Subpart YY are submitted in a timely manner, and submitted the periodic report for the reporting period from January 14, 2012 through July 13, 2012; and
 - b. On April 8, 2013, implemented more stringent recordkeeping and organizational requirements to ensure all deviations are included in semi-annual deviation reports.
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, the Respondent is alleged to have:

1. Failed to report all instances of deviations, in violation of 30 TEX. ADMIN. CODE § 122.145(2)(A), Federal Operating Permit ("FOP") No. O1623, General Terms and Conditions ("GTC"), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted from November 5 through 30, 2012. Specifically, the

semi-annual deviation report for the reporting period from June 11, 2011 through December 10, 2011 did not include deviations for emissions events that occurred on July 9, August 10, September 14, and October 16, 2011 involving the Unit 4 Aftercooler, Unit GP-2 and Unit GP-5 Thermal Oxidizer Stacks, Berquist Tank Vacuum Producer, and Unit 3 Smoke Header, respectively; and the semi-annual deviation report for the reporting period from December 11, 2011 through June 10, 2012 did not include deviations for an excess opacity event that occurred on February 27, 2012 involving the Unit GP-4 Main Unit Filters.

2. Failed to comply with the maximum allowable annual emissions rates for the Unit 5 Fume Incinerator, Emissions Point Number ("EPN") 32, and the Unit 5 Dryer, EPN 33, in violation of 30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Permit No. 2254, General Conditions ("GC") No. 8, and FOP No. O1623, GTC and Special Terms and Conditions ("STC") No. 7, as documented during an investigation conducted from November 5 through 30, 2012. Specifically, in 2010 at EPN 32, the Respondent exceeded the sulfur dioxide ("SO₂") emissions rate of 0.0 ton per year ("tpy") by 0.84 ton and the particulate matter ("PM") emissions rate of 0.0 tpy by 1.45 tons; in 2011 at EPN 32, the Respondent exceeded the SO₂ emissions rate of 0.0 tpy by 0.81 ton and the PM emissions rate of 0.0 tpy by 1.40 tons; and in 2011 at EPN 33, the Respondent exceeded the nitrogen oxides ("NO_x") emissions rate of 0.16 tpy by 0.006 ton.
3. Failed to comply with the maximum allowable annual emissions rates for EPNs 15, 35, 44, 59, 62, 63, 65, and 67, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(b)(2)(F), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Permit Nos. 40088 and PSDTX934, GC No. 8, and FOP No. O1623, GTC and STC No. 7, as documented during an investigation conducted from November 5 through 30, 2012. Specifically, in 2010 at EPNs 15, 35, 44, 59, 62, 63, and 67, the Respondent emitted 1.63 tons of SO₂, 1.19 tons of ammonia ("NH₃"), 6.65 tons of hydrogen cyanide ("HCN"), 2.37 tons of NO_x, and 0.32 ton of carbon monoxide ("CO") as detailed in the table below, resulting in the unauthorized release of 1.61 tons of SO₂, 0.79 ton of NH₃, 3.25 tons of HCN, 0.39 ton of NO_x, and 0.24 ton of CO; and in 2011 at EPNs 15, 35, 62, 63, 65, and 67, the Respondent emitted 1.81 tons of SO₂, 1.61 tons of NH₃, 8.94 tons of HCN, 0.83 ton of NO_x, and 0.23 ton of CO as detailed in the table below, resulting in the unauthorized release of 1.79 tons of SO₂, 1.21 tons of NH₃, 5.54 tons of HCN, 0.23 ton of NO_x, and 0.15 ton of CO:

EPN	Pollutant	Allowable Emissions (tpy)	2010 Actual Emissions (tpy)	2010 Unauthorized Emissions (tpy)	2011 Actual Emissions (tpy)	2011 Unauthorized Emissions (tpy)
15	SO ₂	0.01	1.00	0.99	0.76	0.75
	NH ₃	0.20	0.60	0.40	0.80	0.60
	HCN	1.70	3.36	1.66	4.45	2.75
35	NO _x	0.40	0.43	0.03	0.43	0.03
44	NO _x	1.10	1.17	0.07	-	-
59	NO _x	0.40	0.43	0.03	-	-
62	NO _x	0.04	0.17	0.13	0.12	0.08
	CO	0.04	0.15	0.11	0.10	0.06
63	NO _x	0.04	0.21	0.17	0.16	0.12
	CO	0.04	0.18	0.14	0.13	0.09
65	NO _x	0.10	-	-	0.12	0.02
67	SO ₂	0.01	0.63	0.62	1.05	1.04
	NH ₃	0.20	0.59	0.39	0.81	0.61
	HCN	1.70	3.29	1.59	4.49	2.79

4. Failed to maintain records necessary to demonstrate compliance with the maximum allowable emission rates established by Permit Nos. 40088 and PSDTX934 and Permit No. 2554 and make such records available at the request of the TCEQ, in violation of 30 TEX. ADMIN. CODE §§ 101.20(3), 116.115(b)(2)(E), and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), Permit Nos. 40088 and PSDTX934, GC No. 7, Permit No. 2554, GC No. 7, and FOP No. O1623, GTC and STC No. 7, as documented during an investigation conducted from November 5 through 30, 2012.
5. Failed to submit a periodic report for 40 CFR Part 63, Subpart YY within 60 days after the end of the reporting period, in violation of 30 TEX. ADMIN. CODE §§ 101.20(2), 113.560, and 122.143(4), TEX. HEALTH & SAFETY CODE § 382.085(b), 40 CFR § 63.1110(e)(2), and FOP No. O1623, GTC and STC No. 1.D., as documented during an investigation conducted from November 5 through 30, 2012. Specifically, the periodic report for the reporting period from January 14, 2012 through July 13, 2012 was due by September 11, 2012 but was not submitted until January 7, 2013.

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: CABOT CORPORATION, Docket No. 2013-1329-AIR-E" to:

Financial Administration Division, Revenue Operations Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. The Respondent shall implement and complete a SEP in accordance with TEX. WATER CODE § 7.067. As set forth in Section I, Paragraph 6 above, Thirty Thousand Four Hundred Eighty Dollars (\$30,480) of the assessed administrative penalty shall be offset with the condition that the SEP defined in Attachment A, incorporated herein by reference, is implemented by the Respondent. The Respondent's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.
3. It is further ordered that the Respondent shall undertake the following technical requirements:

- a. Within 30 days after the effective date of this Agreed Order:
 - i. Implement measures and/or procedures to ensure records necessary to demonstrate compliance with the maximum allowable emission rates established by Permit Nos. 40088 and PSDTX934 and Permit No. 2554 are being maintained and are available at the request of the TCEQ; and
 - ii. Submit written certification as described in Ordering Provision No. 3.e. demonstrating compliance with the maximum allowable emission rates in Permit Nos. 40088 and PSDTX934 and Permit No. 2554, or submit administratively complete permit amendment applications to increase the maximum allowable emission rates in Permit Nos. 40088 and PSDTX934 and Permit No. 2554, in accordance with 30 TEX. ADMIN. CODE § 116.111 to:

Air Permits Division, MC 162
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

- b. If permit applications are submitted, respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the permit applications within 30 days after the date of such requests, or by any other deadline specified in writing;
- c. Within 45 days after the effective date of this Agreed Order, submit written certification as described in Ordering Provision No. 3.e. to demonstrate compliance with Ordering Provision No. 3.a.i.;
- d. If permit applications are submitted, then within 180 days after the effective date of this Agreed Order, submit written certification that the permit amendments have been obtained or that operations have ceased until such time that appropriate authorization is obtained; and
- e. The certification required by Ordering Provision Nos. 3.a.ii., 3.c., and 3.d. shall include detailed supporting documentation including receipts and/or other records to demonstrate compliance, be notarized by a State of Texas Notary Public, and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Air Section Manager
Amarillo Regional Office
Texas Commission on Environmental Quality
3918 Canyon Drive
Amarillo, Texas 79109-4933

4. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
5. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
6. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
7. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
8. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature

could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.

9. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission


For the Executive Director

4/14/14
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.


Signature

2/5/14
Date

Brian Allison
Name (Printed or typed)
Authorized Representative of
CABOT CORPORATION

Facility General Manager
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section IV, Paragraph 1 of this Agreed Order.

Attachment A
Docket Number: 2013-1329-AIR-E
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	CABOT CORPORATION
Penalty Amount:	Sixty Thousand Nine Hundred Sixty Dollars (\$60,960)
SEP Offset Amount:	Thirty Thousand Four Hundred Eighty Dollars (\$30,480)
Type of SEP:	Contribution to a Third-Party Pre-Approved SEP
Third-Party Administrator:	Borger Independent School District
Project Name:	<i>Borger ISD Clean School Bus Replacement Program</i>
Location of SEP:	Hutchinson County

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative penalty amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The SEP Offset Amount is set forth above and such offset is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

a. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to the **Borger Independent School District** for the *Borger ISD Clean School Bus Replacement Program*. The contribution will be used in accordance with the SEP between the Third-Party Administrator and the TCEQ (the "Project"). Specifically, the contribution will be used to reduce nitrogen oxides, volatile organic compounds, carbon monoxide, and particulate matter emissions by replacing older diesel and gasoline buses with newer buses that meet more stringent emission standards. The Third-Party Administrator shall use SEP Offset Amount for up to 100% of the purchase price of a model year 2010 or newer bus to replace a diesel or gasoline school bus that is model year 2002 or older. The SEP will be done in accordance with all federal, state, and local environmental laws and regulations.

All dollars contributed will be used solely for the direct cost of the Project, including but not limited to supplies, materials, and equipment. Any portion of this contribution that

CABOT CORPORATION
Agreed Order - Attachment A

is not spent on the specifically identified SEP may, at the discretion of the Executive Director ("ED"), be applied to another pre-approved SEP.

The Respondent's signature affixed to this Agreed Order certifies that it has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action. The Respondent shall not profit in any manner from this SEP.

b. Environmental Benefit

This SEP will directly benefit air quality by reducing harmful exhaust emissions which contribute to the formation of ozone and may cause or exacerbate a number of respiratory diseases, including asthma. In addition, by encouraging less school bus idling, this SEP contributes to public awareness of environmental matters.

c. Minimum Expenditure

The Respondent shall contribute at least the SEP Offset Amount to the Third-Party Administrator and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **Borger Independent School District SEP** and mail the contribution with a copy of the Agreed Order to:

Borger Independent School District
200 East Ninth Street
Borger, Texas 79008-1177

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, the Respondent shall provide the Enforcement Division SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount due to the Third-Party Administrator. The Respondent shall mail a copy of the check and transmittal letter to:

Texas Commission on Environmental Quality
Enforcement Division
Attention: SEP Coordinator, MC 219
P.O. Box 13087
Austin, Texas 78711-3087

CABOT CORPORATION
Agreed Order - Attachment A

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, the Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP; shall make the check payable to "Texas Commission on Environmental Quality;" and shall mail it to:

Texas Commission on Environmental Quality
Litigation Division
Attention: SEP Coordinator, MC 175
P.O. Box 13087
Austin, Texas 78711-3087

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent, must include a clear statement that **the Project was performed as part of the settlement of an enforcement action brought by the TCEQ**. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP Offset Amount identified in this Agreed Order has not been, and shall not be, included as a SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.